

**MGMT 502: Competitive & Corporate Strategy**  
**Evening MBA Winter 2023**

**Professor David G. Sirmon, Ph.D.**

Robert Herbold Professor in Entrepreneurship

[dsirmon@uw.edu](mailto:dsirmon@uw.edu) Office 512

Meeting: PACCAR M/W 6-7:40; 7:50-9:30

Professional  
Page:



**COURSE DESCRIPTION**

Firm strategy is all about choices regarding how to realize competitive advantage. Do you have a comprehensive model that enables you to assess the effectiveness of a firm's strategy? If not, this is the course for you. This course immerses us in firm strategy - a multi-faceted concept in which Top Management Teams (TMTs) shape the design and direction of the firm as well as coordinate its specialized functions to effectively compete in specific marketplaces. Indeed, evidence shows effective formulation and implementation of firm strategy differentiates thriving from failing firms. We will follow the Strategy Roadmap to guide our critical exploration of these issues. Let's get started!

**EDUCATIONAL OBJECTIVES**

This class is designed to develop you as a T-shaped strategist. That is one with greater depth in *analytical and diagnostic skills* based on the mastery of several frameworks and logics - a "strategic toolbox" so to speak - as well as breadth of *analogical thinking skills* enabling you to accurately (and differentially) apply lessons across a wide set of industry domains.

The efforts to improve these skills not only enable you to formulate effective and comprehensive strategies across industry domains, but also enables you to "sniff out bad strategy" and deliver more "compelling narratives" regarding your strategy. Thus, it is my belief, and numerous prior students would attest, development as a T-shaped strategist will propel your career, no matter of your current rank.

Overall, important skills learned in this course include:

1. Describe and apply analytical tools to assess sources of competitive advantage (5Forces, VRIO)
2. Analyze and critique business-level strategy (e.g., Cost, Differentiation, or Blue Ocean).
3. Apply deliberate and emergent processes to formulate business-level strategy.

4. Critique corporate-level strategy based, with an appreciation for the challenges that size and complexity present as well as key growth vehicles such as M&As
5. Apply Organizational Design logic to improve implementation of said strategy
6. Predict competitive reactions by rivals and how to reduce them
7. Through the Strategic Issue Group assignments (2 person case-based assignments), develop mastery of a comprehensive approach to identifying, evaluating and solving acute strategic issues.

## COURSE STRUCTURE

In order to achieve the objectives of the course, we will structure the course around practical issues and theoretical tools, with special attention paid to cases to make both come alive. A typical class will:

1. Begin with lecture/activities that elaborate key theoretical concepts.
2. Dig deep into related case-based discussions. Your preparation and participation in these discussions are central to the class as cases are an indispensable proxy for the valuable knowledge that is normally gained only through years of experience and research. Indeed, lessons learned via cases are far more “sticky” than those offered via lecture alone.

Cases provide three important attributes for our class.

- First, they provide a broad range of exposure (breadth). Indeed, I have selected a mix of old and new business cases from a variety of industries. While each case has a learning objective, an overarching benefit of preparing for and discussing many cases (approximately 12 in our class) is the meta-level learning that can occur – exposure to and contrasts across firms/time/industry.
- Next, Cases highlight a concept/theory (i.e., tool) to learn, while also allowing us an opportunity to re-utilize prior tools. Thereby they provide depth in learning.
- And lastly, case analysis forces you to practice your ‘real world’ mandate - displaying effective judgement. A popular and accurate phrase in case-based classes is **"There may be no perfect answer, but poor answers certainly exist."** Discussing cases helps you develop sound judgment by learning to discern the difference. Moreover, for a few selected cases, they provide a shared context for your “strategic issues assignments.” Former MBAs have suggested that utilizing this assessment approach in their “real world” jobs has been one of the most beneficial takeaways from class.

To achieve the benefits of case discussions, you **MUST COME PREPARED** and then you **MUST PARTICIPATE**. I will most often direct discussions back to the class. As such, the quality of your learning experience will be directly determined by you and your classmates. Each of you has an obligation to analyze the case and then engage in active participation during the discussion – both listening and speaking. Be prepared to offer insights, counter points, and/or support (logic or data).

## COURSE EVALUATION

You will be evaluated across 4 factors. Two are individual in nature, while the other two are group based. Following program guidelines, grades are normalized across the

section's range with 3.3-3.4 being linked to the median percentage score and differentiating in both directions from the median. This prevents grade inflation. The percentage score is based on four deliverables:

|                               |                                    |     |
|-------------------------------|------------------------------------|-----|
| Blue Ocean Project            | Group                              | 25% |
| Strategic Issue Analyses (x3) | Dyadic-group (x2) /Individual (x1) | 30% |
| Participation                 | Individual                         | 30% |
| Quiz                          | Individual                         | 15% |

**Blue Ocean Project:** Your team project consists of your team producing a *value innovation strategy report* for a proposed client firm (which must be a real, existing company). Imagine the report being sent to a geographically dispersed upper management team. The deliverable will be an audio-over-slides presentation. You are going to choose the firm, with my approval.

**Course Participation:** Case-based courses work best when everyone is a productive participant. As such, your class participation will be closely monitored. I consider both the *quantity* and *quality* of your contributions. So, talking often is not the best way to participate, nor is being silent. Instead, thoughtful engagement is best. I WILL COLD CALL (get things started, move the discussion forward, engage less active participants, enhance productive debate, etc.) so, BE PREPARED. If you are not prepared for the discussion, inform me before class so that I avoid embarrassing you.

Please read the page on Canvas related to successful Class participation and Case preparation. But succinctly I am looking for 2 to 3 effective engagements per session and, of course, absences and tardiness affect participation scoring. Grading participation is a bit different from the other deliverables. Here everyone starts the term at 85/100 points - the typical median participation score over time in my courses. Your score is then altered up and down from that default.

To facilitate effective discussions, I make it a priority to learn names as quickly as possible. To support that effort, **please consistently display your name tents AND stay in your preferred seat for the term.**

**Quiz:** This quiz examines the materials from the quarter. The quiz will be conducted online and can be taken at your convenience after the last class. One part (approximately 25% of the exam) will consist of multiple choice and True/False/Explain sections that will cover critical elements of the required readings and the cases covered during the term. The other part consists of short-essay responses to a write-up of a business situation. All parts of the quiz must be conducted individually. No collaboration of any form is permitted on this deliverable. I allow open notes on this quiz, but there is a 90 minute time limit. Let me caution you, 90 minutes is not long enough time if you looking things up.

**Strategic Issue Analyses (x3):** You must submit 3 strategic issue analyses. But be careful. You select one of the cases per set. Set A and B are conducted in your dyadic group. Set C is individually analyzed. No other cases are eligible. See the assignment guide in Canvas for more detail. The assignments must be turned in, via Canvas, before class begins for the selected case. I will not accept late cases. All submissions will be checked against a plagiarism detector.

**Mini-Group Set A**

Dell  
Jones

**Mini-Group Set B**

Disney  
Cisco

**Individual - Set C**

Siebel  
Lincoln

**COURSE MATERIALS**

All materials for this class are found in one of two places. First, you will need to purchase access to the majority of the HBR cases/readings via the Harvard Course Pack listed below. Second, CANVAS contains the non-purchased readings and cases, plus review videos per concept as well as a free etext.

**Course pack:** Harvard Pack (≈\$90): <https://hbsp.harvard.edu/import/1013890>

\*\*\*\*\***Limited course pack.** If you are dedicated you can look up the HBR articles via the library and save \$4.25 per article (you can't for the cases, but you can for the articles). See Appendix F for the list. That would save you approximately \$35. Here is the LIMITED course pack (without the HBR articles): <https://hbsp.harvard.edu/import/1013889>

**Canvas:** Many important materials are found here. Including:

- “Case questions” per case
- Important reminders
- Slides (usually up day or two before class)
- Syllabus
- Review videos
- Online Free Textbook “*Mastering Strategic Management, V1.0*” The book can be downloaded at: [https://saylordotorg.github.io/text\\_mastering-strategic-management/](https://saylordotorg.github.io/text_mastering-strategic-management/)

**CLASS CONDUCT**

You are professionals; treat your classmates and me as respected, valued colleagues. Robust disagreement is ENCOURAGED as long as discussions are engaged in a professional manner. A lack of professionalism will affect your grades just like the lack of participation. More specific policies:

**“Unplug” when class starts.** I follow Foster Program’s Technology Policy by asking you to NOT use technology while in class. Please, close laptops and turn your phone to silent and flip it face down (no “discreet” staring down at your lap!) I will indicate when an activity requires your laptop. I provide “take away” slides for the cases and any lecture materials is also described on slides. So, typing notes is not needed. But if you insist, research shows that taking notes by long hand is far superior to recall and learning.

Moreover, research shows us, convincingly, that multi-tasking actually leads to 1) inferior outcomes, 2) these poorer outcomes take longer in sum, and 3) electronic activities (surfing, etc.) SIGNIFICANTLY disrupts fellow students.

**Academic integrity:** *A Husky does not lie, cheat, steal nor tolerate those who do.* Please remember your honor code. Specifically, The Foster School's Honor Code states:

“I will uphold the fundamental standards of honesty, respect, and integrity and I accept the responsibility to encourage others to adhere to these standards.

*HONESTY:* I will be honest with myself and others.

*RESPECT:* I will show consideration for others (ideas and work).

*INTEGRITY:* I will be a leader of character. I will be fair in all relations”

**Punctuality:** Tardiness happens, chronic tardiness is a choice. Be professional.

## **FACULTY BIOGRAPHY**

David G. Sirmon is a full professor and the Robert Herbold Professor in Strategy in the Foster School of Business at the University of Washington-Seattle. He previously held the Pamela M. and Barent W. Cater '77 Faculty Research Fellow in the Mays School of Business at Texas A&M University. He earned his Ph.D. (2004) from the W. P. Carey School of Business at Arizona State University.

Dr. Sirmon's research focuses on the intersection of entrepreneurship and strategy. His primary area of research examines the role managers' play in orchestrating firm resources to achieve competitive advantage. Additional research interests include mergers and acquisitions as well as firm governance with a focus on family business and boards of directors. His research is published in the *Academy of Management Journal*, *Academy of Management Review*, *Strategic Management Journal*, *Strategic Entrepreneurship Journal*, *Journal of International Business*, *Journal of Management*, *Journal of Management Studies*, *Entrepreneurship Theory & Practice*, *Organizational Research Methods*, among others.

His work is highly impactful, being recognized by Clarivate Analytics as a Highly Cited Researcher (2018, 2017, 2014) which identifies “world-class researchers selected for their exceptional research performance, demonstrated by production of multiple highly cited papers that rank in the top 1% by citations for field and year in *Web of Science*.” He specifically is classified as a Top 100 Scholar in *Web of Science's* ‘Economic & Business category’. Moreover, he is the 18<sup>th</sup> most influential out of 6,326 scholars per citations in strategy texts (AMLE '18). And in 2011, he was awarded the Strategic Management Society's prestigious Emerging Scholar Award for his early and ongoing contributions to the field of strategic management. Additionally, he serves on the several editorial review boards.

Dr. Sirmon is an award-winning instructor (Professor of the Year UW: Core Evening MBA 2013, 2016, 2017, 2018; 2019; Excellence in Graduate Teaching UW, 2017) while teaching numerous courses related to strategic management and entrepreneurship to all levels of university students and executives. Prior to his academic career, Dr. Sirmon was a commercial lender in the Northwest.

## CLASS SCHEDULE (1 of 2) Business Level Strategy

| #                     | <u>Subject / Reading</u>   | <u>Due</u>          |
|-----------------------|--|---------------------|
| 1                     | <b>The Concept of Strategy</b><br><i>Activity:</i> pre-course quiz<br><i>Readings:</i> The perils of bad strategy:<br><a href="http://www.scholarshipcenter.org/2013/04/24/2013-04-24/">http://www.scholarshipcenter.org/2013/04/24/2013-04-24/</a><br><i>Readings:</i> David & Goliath: <a href="http://www.newyorker.com/magazine/2009/05/11/how-david-beats-goliath">http://www.newyorker.com/magazine/2009/05/11/how-david-beats-goliath</a><br><i>Case:</i> Robinhood (handed out in class) |                     |
| 2                     | <b>5Forces</b><br><i>HBR Case:</i> Cola Wars<br><i>HBR Readings:</i> The Five Forces   |                     |
| 3                     | <b>VRIO</b><br><i>HBR Case:</i> Trader Joe<br><i>Readings:</i> Tom Brady _____   |                     |
| <b>NO CLASS – MLK</b> |  |                     |
| 4                     | <b>Economic Logic: Cost</b><br><i>HBR Case:</i> Matching Dell  | Dyadic-Group: Set A |
| 5                     | <b>ASYNCH = 6<sup>th</sup> Force: Complementors &amp; Network Effects</b><br><i>HBR Case:</i> Responding to the Wii<br><i>HBR Readings:</i> With Friends Like These  |                     |
| 6                     | <b>Economic Logic: Differentiation</b><br><i>HBR Case:</i> Edward Jones in 2006: Confronting Success   | Dyadic-Group: Set A |
| 7                     | <b>Economic Logic: Value Innovation I</b><br><i>Activity:</i> Value Curves - Costco<br><i>HBR Readings:</i> Blue Ocean Strategy  |                     |
| 8                     | <b>Economic Logic: Value Innovation II</b><br><i>Activities:</i> Skype Pricing<br><i>HBR Readings:</i> How Strategists Really Think:<br><i>Reading:</i> Overkill <a href="http://www.bloomberg.com/news/articles/2013-02-27/google-pixar-laptop-is-upscale-overkill-rich-jarodovsky">http://www.bloomberg.com/news/articles/2013-02-27/google-pixar-laptop-is-upscale-overkill-rich-jarodovsky</a>   |                     |
| 9                     | <b>Economic Logic: Value Innovation III</b><br><i>HBR Case:</i> Amazon and Blue Ocean<br><i>Reading:</i> AWS as a BO? <a href="http://www.intelligence.com/2013/02/27/aws-as-a-bo/">http://www.intelligence.com/2013/02/27/aws-as-a-bo/</a>  |                     |
| 10                    | <b>Pacing: Competitive Dynamics</b><br><i>HBR Case:</i> Microsoft Search<br><i>HBR Readings:</i> Predicting Your Competitor's Response   |                     |
| 11                    | <b>Strategy Formulation: Intended vs. Emergent</b><br><i>HBR Case:</i> Ikea  | Blue Ocean Project  |

*HBR Readings: Can you Say What Your Strategy Is?*

## CLASS SCHEDULE (2 of 2) Corporate Level Strategy

| #  | <u>Subject / Reading</u>   | <u>Due</u>          |
|----|--|---------------------|
| 12 | <b>Arenas: Scope of the Firm</b><br><i>HBR Case:</i> Walt Disney Co.: The Entertainment King   | Dyadic-Group: Set B |
| 13 | <b>M&amp;As - Recipe for Success</b><br><i>HBR Case:</i> Cisco Systems: New Millennium<br><b>NO CLASS – President’s Day</b>  | Dyadic-Group: Set B |
| 14 | <b>ASYNCH: M&amp;As Who makes money?</b><br><i>Activity:</i> Acquire<br><i>HBR Readings:</i> When to Walk Away from a Deal<br><i>Extra Reading if desired:</i> Choose one to listen too - <a href="#">M&amp;A pod cast</a> <a href="http://www.acquired.fm/">http://www.acquired.fm/</a>   |                     |
| 15 | <b>Vehicles: Alliances    Divestment</b><br><i>Canvas Case:</i> Beats by Dre <a href="http://gizmodo.com/5981823/beats-by-dre-the-inside-story-of-how-monster-lost-the-world">http://gizmodo.com/5981823/beats-by-dre-the-inside-story-of-how-monster-lost-the-world</a><br><i>HBR Readings:</i> Divestiture: Strategy's Missing Link  |                     |
| 16 | <b>Organizational Design: Process/Culture/Structure</b><br><i>Readings:</i> skim over “Netflix Culture Slide Deck”<br><a href="http://www.slideshare.net/reed2001/culture-1798664">http://www.slideshare.net/reed2001/culture-1798664</a><br><b>Hasting Interview 1 uncut (culture 23:15):</b><br><a href="https://www.stitcher.com/podcast/stitcher/masters-of-scale/e/53406171">https://www.stitcher.com/podcast/stitcher/masters-of-scale/e/53406171</a><br><b>Hasting Interview 2 episode:</b> <a href="https://www.stitcher.com/podcast/stitcher/masters-of-scale/e/51210066">https://www.stitcher.com/podcast/stitcher/masters-of-scale/e/51210066</a><br><i>HBR Case:</i> Siebel Systems<br><i>HBR Readings:</i> How to Build Collaborative Advantage | Individual: Set C   |
| 17 | <b>Organizational Design: Controls/Incentives</b><br><i>HBR Case:</i> Lincoln Electric   | Individual: Set C   |
| 18 | <b>So, again, What is Strategy?</b><br><b>Selected Project Presentations</b><br><b>Final Review</b>  |                     |
|    | <b>FINAL:</b> online, open-note, timed, individual:  | Final DUE           |

## **How to create groups in Canvas**

**You will need to make TWO groups.**

- 2-person “Strategic Issue Group”
  - focused solely on the 3 required strategic issues analyses.
- 5 person “Blue Ocean Project Group”
  - Focuses on your Blue Ocean Project

### **How to create the groups**

1. Go to the course Canvas site
2. Select “People” button on left
3. Select “Group” tab near top of screen
4. Scroll down and drag/drop your name into
  - a. The correct Blue Ocean Group
  - b. Repeat this step for your Strategic Issue Group
    - i. You have to scroll further down the page to find the group
5. Which group number should you choose?
  - a. I don’t care which number you choose
  - b. The first person to claim a group needs to tell all other members which group to drop their name into
  - c. If you are the first person, then choose any group that is open.
6. After your groups are filled up and squared away, you can change the name to suit yourself.



## Class Participation & Case Discussion Protocol

This class is a heavy "participation" course. As such here are some tips on successful participation:

Effective Participation requires both quantity and quality.

1. Quantity has a curvilinear relationship to grading. Zero is bad, some is good, and too much is negative. 2 to 3 engagements per session is optimal. Of course, absences and tardiness affect participation.
2. In terms of quality, here are the dimensions I am interested in:
  1. *Relevance* -- does the comment connect with related issues?
  2. *Responsiveness* -- does the comment react importantly to other's comments?
  3. *Evidence: Logic* -- is effective reasoning demonstrated?
  4. *Evidence: Data* -- are they correctly discussed?
  5. *Importance* -- does the comment further understanding?
  6. *Clarity* -- is the comment understandable?
  7. *Professionalism* -- does the comment make a counterpoint with civility?
3. In terms of grading for participation. Everyone starts the term at 85/100 points - the typical median participation score over time in my courses. Your score is then altered up and down from that default.

Next, because this course relies heavily on case material, extensive preparation before class and participation in class are required to ensure you successfully learn the material. Here is a suggested approach to cases:

1. Begin with a rapid reading of the case.
2. Review the discussion questions for clues as to where to focus attention.
3. Re-read the case carefully, taking notes that sort information, facts, and observations under a number of relevant headings. This helps untangled issues and their several contingencies.
  1. Be careful to avoid superficial consideration of alternatives.
  2. Try to formulate theories or hypotheses about what is going on as you read ("the company loses money on small orders"), modifying or rejecting them as new information surfaces ("Table 2 shows that shipping costs per unit are higher for small orders, but only for long-distance shipments"). Push yourself to create evidence (logic and/or data) to defend any conclusions.
4. You should perform quantitative analyses, "crunching" whatever numbers are available. It is also very important to provide quantitative support wherever possible. If the requisite data are not available in the case, a precise description of what data is missing often triggers ideas for making creative use of the information that is available. It is usually worthwhile to identify trends in the firm or industry. Trends, often very important ones, will not always be flagged.
5. Make brief notes or outlines of the case remind yourself of what YOU THOUGHT were the critical problems, analysis of relevant numbers or logic-based concepts, and recommendations. You should rely on these notes when contributing to the class discussion.

## **Reading List for the LIMITED Course Pack**

1. **HBR ARTICLE** *The Five Competitive Forces That Shape Strategy* (HBR Bestseller) Michael E. Porter R0801E-PDF-ENG | 19 p
2. **HBR ARTICLE** *With Friends Like These: The Art of Managing Complementors* David B. Yoffie; Mary Kwak R0609E-PDF-ENG | 13 p
3. **HBR ARTICLE** *Blue Ocean Strategy* (HBR Bestseller) W. Chan Kim; Renee A. Mauborgne R0410D-PDF-ENG | 12 p
4. **HBR ONPOINT ARTICLE** *How Strategists Really Think: Tapping the Power of Analogy* (HBR OnPoint Enhanced Edition) Giovanni Gavetti; Jan W. Rivkin 9661-PDF-ENG | 14 p
5. **HBR ARTICLE** *Predicting Your Competitor's Reaction* Kevin P. Coyne; John Horn R0904H-PDF-ENG | 9 p
6. **HBR ARTICLE** *Can You Say What Your Strategy Is?* (HBR Bestseller) David J. Collis; Michael G. Rukstad R0804E-PDF-ENG | 11 p
7. **HBR ARTICLE** *When to Walk Away from a Deal* Geoffrey Cullinan; Jean-Marc Le Roux; Rolf-Magnus Weddigen R0404F-PDF-ENG | 12 p
8. **MIT Sloan Management Review** *How to Build Collaborative Advantage* Morten T. Hansen; Nitin Nohria SMR150-PDF-ENG | 11 p
9. **HBR ARTICLE** *Divestiture: Strategy's Missing Link* Lee Dranikoff; Tim Koller; Antoon Schneider R0205E-PDF-ENG | 9 p